

AMENDED IN SENATE MAY 26, 2009

AMENDED IN ASSEMBLY MARCH 10, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 20**

**Introduced by Assembly Member Solorio**

**(Coauthor: Assembly Member Block Coauthors: Assembly Members  
Block, Portantino, and Torlakson)**

*(Coauthors: Senators DeSaulnier and Runner)*

December 1, 2008

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~~An act to add Article 6 (commencing with Section 92060) to Chapter 1 of Part 57 of Division 9 of Title 3 of the Education Code, relating to the University of California. An act to add Chapter 14.27 (commencing with Section 67325) to Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 20, as amended, Solorio. University of California: *California State University*: contracts.

Existing law establishes the University of California (UC) as a public trust administered by the Regents of the University of California. Employees of the ~~university~~ (UC) provide instruction to students and conduct research at each of the 10 campuses of the ~~university~~ (UC), which are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara, and Santa Cruz. *Existing law establishes the California State University (CSU), under the administration of the Trustees of the California State University, as one of the other segments of public postsecondary education in this state.*

This bill would ~~urge the regents, and~~ require the Department of General Services, to *negotiate and* establish a model contract with standard contract provisions *with both the regents and the trustees* by July 1, 2010. *The trustees would be required to, and the regents would be urged to, negotiate and establish with the Department of General Services the model contract applicable to their university by July 1, 2010.* The bill would define the term contract to mean a research, training, or service agreement between the state and the ~~university~~ UC or CSU, or a grant from the state to the ~~university~~ UC or CSU for research, training, or service. The bill would require that, to the extent feasible, these standard contract provisions include, but not necessarily be limited to, provisions relating to specified legal issues. The bill would require that ~~any and all~~ the standard provisions in ~~the~~ a model contract agreed upon under the bill be used in contracts entered into between the ~~university~~ UC or CSU and the state, unless both contracting parties mutually determine that a specific standard contract provision is inappropriate for a specific contract. The bill would authorize the Department of General Services to use the services of any state agency, defined to include every state office, officer, department, division, bureau, board, and commission, in implementing the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Article 6 (commencing with Section 92060) is~~  
2     ~~added to Chapter 1 of Part 57 of Division 9 of Title 3 of the~~  
3     ~~Education Code, to read:~~

4  
5                             ~~Article 6. Contracts~~

6  
7     ~~92060.—~~

8     ~~SECTION 1. Chapter 14.27 (commencing with Section 67325)~~  
9     ~~is added to Part 40 of Division 5 of Title 3 of the Education Code,~~  
10    ~~to read:~~

11  
12                             ~~CHAPTER 14.27. CONTRACTS~~

13  
14     ~~67325. For the purposes of this article, “contract” means a~~  
15    ~~research, training, or service agreement between the state and the~~

1 University of California *or the California State University*, or a  
2 grant from the state to the University of California *or the California*  
3 *State University* for research, training, or service.

4 ~~92060.5.~~

5 67326. The Legislature finds and declares all of the following:

6 (a) The University of California ~~is the state's premier public~~  
7 ~~university~~ *and the California State University* *comprise two*  
8 *important parts of the state's public university system.*

9 (b) The ~~university receives about three billion dollars~~  
10 ~~(\$3,000,000,000)~~ *University of California and the California State*  
11 *University* *receive about six billion dollars (\$6,000,000,000)* from  
12 the State General Fund each year.

13 (c) In the 2006–07 fiscal year, state agencies and departments  
14 entered into ~~a total of 1,266~~ *more than 2,500* contracts or contract  
15 amendments with the ~~university~~ *University of California and the*  
16 *California State University.*

17 (d) Many of these contracts contain similar provisions, such as  
18 provisions dealing with issues relating to liability, intellectual  
19 property, the right to undertake additional research, the right to  
20 publish, hiring, personnel, invoicing, and payments.

21 (e) The provisions of each contract or contract amendment are  
22 typically negotiated between attorneys representing the state  
23 agencies and departments and attorneys representing the ~~university~~  
24 *University of California and the California State University.*

25 (f) The drafting of many of these contracts takes six months to  
26 a year, and, in many cases, the state is paying for both sides of the  
27 contract negotiations.

28 (g) It would be more cost effective and efficient if the state and  
29 the ~~university~~ *University of California and the California State*  
30 *University* would establish standardized “boilerplate” provisions  
31 that would apply to all contracts between the state and the  
32 ~~university~~ *University of California or the California State*  
33 *University*, allowing for variations only in unusual situations.

34 (h) The federal government has established the Federal  
35 Demonstration Partnership, which provides for uniform contracting  
36 provisions.

37 ~~92061.~~

38 67327. (a) The ~~regents are urged to, and the~~ Department of  
39 General Services, acting for the state, shall, *negotiate and* establish  
40 a model contract with standard contract provisions *with the Regents*

1 of the University of California and a model contract with standard  
2 contract provisions with the Trustees of the California State  
3 University by July 1, 2010. The trustees shall, and the regents are  
4 urged to, negotiate and establish with the Department of General  
5 Services the model contract applicable to their university by July  
6 1, 2010. The Department of General Services shall seek the active  
7 participation of state agencies and departments that have contracts  
8 with the ~~university~~ University of California or the California State  
9 University. The model contract may be revised in a manner  
10 determined by the ~~university~~ University of California or the  
11 California State University and the Department of General  
12 Services, in consultation with state agencies and departments that  
13 have contracts with the ~~university~~ University of California or the  
14 California State University. To the extent feasible, these standard  
15 contract provisions shall include, but not necessarily be limited  
16 to, provisions relating to all of the following:

- 17 (1) Liability.
- 18 (2) Intellectual property.
- 19 (3) The right to undertake additional research.
- 20 (4) The right to publish.
- 21 (5) Hiring and other personnel-related matters.
- 22 (6) Invoicing.
- 23 (7) Payments.
- 24 (8) Dispute resolution.
- 25 (9) Travel.
- 26 (10) Termination.
- 27 (11) Administrative overhead and indirect costs.

28 (b) ~~Any and all standard provisions in the~~ The standard  
29 provisions in a model contract agreed upon pursuant to subdivision  
30 (a) shall be used in contracts entered into between the ~~university~~  
31 University of California or the California State University and the  
32 state, unless both contracting parties mutually determine that a  
33 specified standard contract provision is inappropriate for a specified  
34 contract.

35 (c) In implementing this section, the Department of General  
36 Services may use the services of any state agency, as that term is  
37 defined in Section 11000 of the Government Code.

38 (d) The Department of General Services and the ~~university~~  
39 University of California or the California State University, in  
40 consultation with state agencies and departments that have contracts

1 with the ~~university~~ *University of California or the California State*  
2 *University*, may determine those types of contracts for which the  
3 use of the model contract would be inappropriate.

4 (e) It is not the intent of the Legislature that the model contract  
5 provisions waive the requirements of the law.

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